

Published by the Assessment Services Branch of Alberta Municipal Affairs

Advisory Aspects

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Alberta's celebration of the century

When Alberta became a province in 1905, people were hopeful for the future. The economic outlook looked promising, the real estate market was booming, and subdivisions were expanding rapidly. The steady growth in population garnered an increased need for both commercial and residential properties. Suffice to say, assessors of the day were busy. One hundred years later, many

of those things haven't changed. The province is booming, Albertans are optimistic, and assessors are meeting the challenges of a demanding industry. In this edition of *Advisory Aspects*, the department wishes to acknowledge the efforts of assessment practitioners and looks forward to the future of assessment in Alberta. **A**

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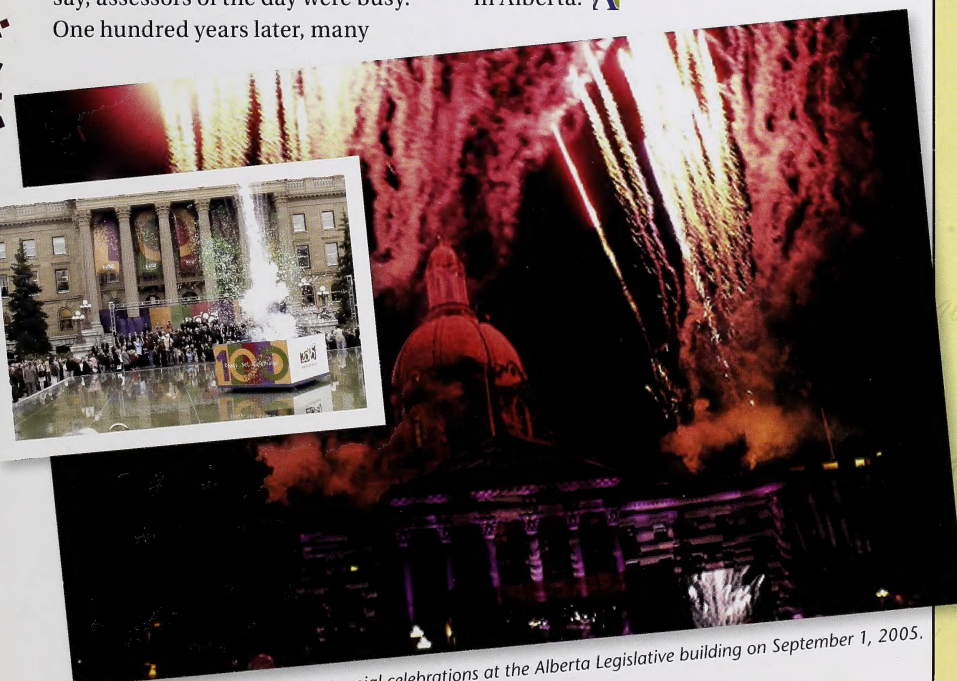
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Spectacular fireworks at the Centennial celebrations at the Alberta Legislative building on September 1, 2005.
INSET: Centennial celebrations launch September 1, 2004.

Branch update: New faces and places

A helping hand

The Assessment Services Branch of Municipal Affairs is pleased to announce that two municipal assessors are assisting the branch with initiatives related to industrial property assessment. Rod Risling, city assessor for Red Deer, has accepted an assignment as team lead for the regulated assessment rate review. John Elzinga, assessment and tax department manager for Strathcona County, has accepted an assignment as team lead for the initiatives on assessment year modifier development, and review of railway assessment practices. Both assignments began in September and will continue until December 31, 2005.

"We appreciate the willingness of the city and county to lend us their appointed assessors," says Steve White, executive director of the Assessment Services Branch.

"We also appreciate the offers of industry representatives to assist with reports and information that may be required on matters related to the rates and modifiers used in the assessment process for industrial properties."

New faces in the office

The department is also pleased to welcome four new staff members:

- Peter Christiansen, municipal advisor, Regulated Assessment Policy unit
- Richard Chaney, advisor, Education Tax and Assessment Advisory unit
- Kir Luong, business analyst, Linear Property Assessment unit, and
- Yvette Chau, utilities advisor, Regulated Standards and Utilities Assessment unit.

to see some familiar faces among all the new ones. I look forward to the challenges and opportunities that lie ahead," says Chaney.

Peter Christiansen worked at the branch's Grande Prairie regional office in 1984. After 10 years, he moved to British Columbia and returned back to Alberta in 1998. He worked as an assessor with the City of Edmonton in the business assessment unit, where he was supervisor since 2001. Christiansen says he enjoyed his time at the city, but wanted to expand his career options. "It's only been a short while since I rejoined the department, but I've enjoyed every moment of it. Everyone has been extremely helpful and has made my move a lot easier. In particular, Ken Anderson has provided great assistance — thanks Ken!"

Kir Luong held various positions within government after obtaining a degree in geography specializing in quantitative methods like statistics, GIS, databases, and digital imagery processing. Luong says it's great to work in the branch, and he appreciates that the functions of his job were well thought-out.

"When I first read the advertised job description, I was eager to learn more about this position. It was actually the job description and the diversity of it all that attracted me. Plus, it's fascinating to learn about linear property and how properties are assessed," says Luong.

After graduating with a business degree, Yvette Chau began working at the Alberta Energy and Utilities Board as a business analyst. Chau

Message from the Minister

Some things just don't change. In 2005 as in 1905, Albertans work hard, face challenges with innovation and imagination, and have an eye to making their world a better place. And that includes Alberta's assessors.

This issue of *Advisory Aspects* celebrates the many successes and accomplishments of assessors in Alberta. It gives us, at Municipal Affairs, the opportunity to acknowledge the important role you continue to play in shaping this province. The history of assessment in Alberta demonstrates how the contribution of dedicated professionals helps make progress a positive experience, and I thank you for your unwavering commitment to excellence.

On behalf of my department, I hope you enjoy this issue. We look forward to working with you in the years ahead.



A stylized signature of Rob Renner in black ink.

Rob Renner
Minister, Alberta Municipal Affairs

With 18 years of assessment experience, Richard Chaney has worked for various municipalities throughout the province and spent a year working as an assessor in Saskatchewan. "It's good to be here

moved to British Columbia where she obtained her master's degree. She returned to Alberta and worked at Alberta Government Services as a business analyst within the consumer services and land titles area. Chau says she has a growing interest in the areas of assessment and appraisal. "I applied for this position because it combined my current interest in the field of assessment with my previous background in the ever-changing utilities industry," she says. "Everyone I've met has been very friendly. I look forward to getting to know them and making a valuable contribution to the team."

Working relationships a priority

The department recognizes that municipal officials and other stakeholders provide valuable input regarding matters that are of interest to both local communities and the province. The Assessment Services Branch of Municipal Affairs is continuing its work with municipal representatives and other stakeholders to strengthen our working relationships. Over the last year, these activities have included attendance at municipal association zone meetings and conferences, individual meetings with municipal councils, and working group meetings to address policy and operational matters.

As a result of some specific needs in the north, Harold Williams, director of the Linear Property Assessment unit, has taken on a special assignment. Williams has been working with a number of northern municipal administrators to discuss assessment concerns and identify strategies to resolve them. Williams says he is pleased about the assignment and looks forward to

working with municipal leaders on assessment matters. "My intention is to come and talk to you in your areas and hopefully gain a better first-hand understanding of assessment concerns from your perspective, and to keep the lines of communication open between us." Chris Uttley has been appointed acting director of the Linear Property Assessment unit in the interim.

Working groups met this year

Earlier this year, several working group meetings were held to look

at matters associated with the annual cost modifier process, and to review the assessment models and rates for telecommunications properties. The department invited stakeholder representatives from municipalities, industry, and the assessment profession to participate in the working groups. Steve White says he is continually impressed with the high level of commitment by stakeholders. "We have received some excellent feedback from participants." **A**

Don't forget your Drayton Valley oxfords and trusty shovel: Sound advice for an assessor of the '50s and '60s

Some people toss a coin and make a wish when they come across a well. But one summer day in 1961, Allan Wronko left all of his pennies at home. An assessor for the Municipal District of Leduc, Wronko had some business to tend to near Calmar, not far from home. Armed with a shovel in one hand, and a notebook in the other, he proceeded to make his way across a densely grassed parcel of land.

"Before I knew what happened, I looked up and all I could see was the sky through a small hole," he recalls. He had plunged into an abandoned water well. "Fortunately, it was only

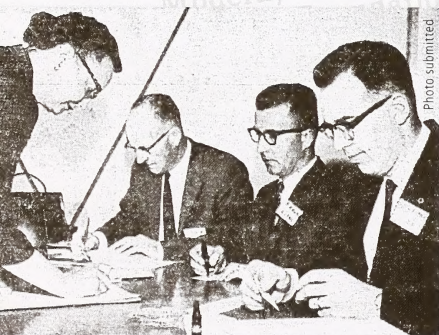
eight to 10 feet deep," he says. "It was a good thing I had that shovel," which was considered an essential tool for an assessor back then, particularly in rural areas where it was often used for soil grading. By wedging the shovel into the sides of the well, Wronko created a makeshift step to get back to ground level. "It was all just part of the job."

Though it's been several years since Wronko retired as an assessor, his memories stay fresh in his mind and dear to his heart. After all, if it were not for his first assessment job in Leduc, he wouldn't have met his wife, Doreen. She started working for the

county the same year, in 1953, as a general office clerk.

Wronko first became interested in the assessment profession in the 1930s after a discussion with a grade school friend. "I asked him what his dad did for a living. I knew it had something to do with taxation. When he told me his dad was an assessor I instantly became intrigued." Years later, Wronko crossed paths with an assessor and former schoolmate while working at a local drilling site. He told Wronko that he would soon be resigning from his position. Holding little hope of getting the job because he felt he lacked sufficient experience, Wronko was surprised when he heard the good news. "Thinking back, I think my drilling and production experience was an added benefit," he says. Three years of rig work provided enough experience for the rural Albertan to understand some of the terms coming into use at the onset of the oil industry boom such as, "wildheads," "bull plugs," "Christmas trees," and "pigs."

"Most summer months were spent out in the oilfield. We walked quite a bit in our Drayton Valley oxfords," he



APRIL 1960

Assessing officers meet at the annual assessing officers of Alberta convention. Mrs. Edna Fraser of Lacombe County is registering. R.E. Booth, B.V. Bawol, and A.D. Wronko handled more than 60 registrations for the two-day meeting.

says chuckling, referring to the rubber boots that became an important piece of attire among field assessors of the day. Assessors at that time had more than assessment duties to fulfill.

In many cases, they also collected taxes, inspected buildings, and issued licences and gravel leases. At one point in time, Wronko's superior was a welfare officer as well as an assessor. "We were really a jack-of-all-trades back then."

With an assessment roll deadline of December 31, Wronko recalls spending some New Year's Eves making sure assessment notices were sent out on time. "Everyone would be gone home. I would stay and run the notices to the post office since I was the chief at that time."

Wronko says it was important to hire local citizens who knew the land and districts. He credits being able to discuss issues with other assessors in the Edmonton area and the assistance of department staff at the time for keeping him and his staff informed on a variety of topics.

Many issues and challenges that assessors faced in days gone by are not so different from those assessors face today. In fact, they appear cyclical to a degree, he




FIRST GRADUATES OF THE MUNICIPAL ASSESSMENT COURSE, APRIL 11, 1961

First graduates of the municipal assessment course (standing) were honoured after completing Part 1 of the Appraisal Institute's requirement and two years of study with the Public Administration Division, Department of Extension, University of Alberta.

Seated: Dr. Eric Hanson, Head of the Department of Political Economy; Dr. Walter John, President, University of Alberta; A.W. Morrison, Deputy Minister, Department of Municipal Affairs; Duncan Campbell, Director, Department of Extension; Don Bancroft, Lecturer, Public Administration Division.

Graduates (standing): Nick Hanevich, P.H. Cordery, Ron Reid, City Assessor, Edmonton; A.D. Wronko, Assessor, M.D. of Leduc; Henry Powers, Ken Spread, George Skoreyko, Peter Melynuk and R.E. Barritt, V.L.A., Red Deer. Also graduated but not shown are Henry Gerlock, and Peter Klompas.

says. Some topics of yesteryear included the assessment of pipeline pigging equipment, farm land and farm building exemptions, and the impact of business and residential developments on the fringes of Alberta's expanding urban areas. "The wheel's been invented already. There's just different spokes now."

By 1954 most rural areas had electricity, but no telephones. Business communication was conducted mostly in writing, he says. Dealings with Alberta Municipal Affairs were often by letter, but assessors preferred to speak to someone on the telephone, says Wronko. Department officials were often invited to assessors' meetings to explain the intent of legislation and take back information to the department, similar to today, he says. "We liked to speak to department staff. We became familiar with them and it was a more personable way of doing business. We appreciated that." 

Bag of tricks required to entice assessors to the north

It made perfect sense for Henk van Waas to look north when he wanted challenge and adventure. Throughout Alberta's 100-year history, thousands like him had done the same, some with spectacular results. And challenge and adventure are exactly what he found in a genuine boomtown where oil is king, growth rates are high and rising, and experienced help is hard to find and difficult to keep. Henk van Waas is Regional Assessor for the Regional Municipality of Wood Buffalo, which includes the oil-rich boomtown of Fort McMurray. "Growth in the regional municipality is truly amazing, and market values are rising rapidly," he says. "For the 2003 tax year, assessed values increased by nine per cent. For the 2004 tax year assessed values increased by 10 per cent and for the 2005 tax year assessed values increased by 14 per cent. Predictions for the 2006 tax year are expected in excess of 25 per cent."

The price of land and housing is an ongoing concern, even with the recent release by the provincial government of an additional 1,000 acres of Crown land for residential development. Current market value for a typical average 1,200-square-foot home with double attached garage in Fort McMurray is approximately \$400,000, almost twice as high as a similar home in Edmonton. Fueling the rise are the needs of a continual influx of

new permanent residents as oil sands development surges ahead, along with a shadow population of oil sands workers that adds as many as 12,000 people to the city's official population of 61,000. "As far as assessments are concerned, my biggest challenge is attracting qualified assessors," says van Waas. "The trick is convincing them to move here." In fact, two of his staff work on contract and live in Edmonton, not an entirely perfect solution. "Travel to Fort McMurray can be difficult given road conditions. And no one really wants to work that far away from family and friends." Currently there are eight assessors on staff. As a result of staff shortages and huge volumes of work, van Waas says, "It's a challenge to be creative

in our solutions. Staff are currently testing the use of "Tough Books" (handheld computers) in the field."

Of course, Fort McMurray is not the only Alberta community with growth issues. Based on his experience, van Waas believes careful municipal planning is the key to helping residents and businesses manage the stresses that come with growth. The up side to growth is plentiful jobs, a strong economy, and a bright future for Albertans. "For every job created in Fort McMurray, three others are created elsewhere in the province, and the end is not yet in sight," says van Waas. "It's an exciting time to be living in the Regional Municipality of Wood Buffalo and the province of Alberta, and despite the challenges, I believe it's bringing out the best in all of us." **A**



Regional assessor Henk van Waas, Regional Municipality of Wood Buffalo

ASSET update: *Technical committee looks to the future*

When the Assessment Shared Services Environment (ASSET) system came on line, system manager John Scott knew that assessors would need to learn how to transfer their municipality's data into the system. To help meet this need Scott — and other ASSET team members from the Assessment Services Branch of Municipal Affairs — took to the road. He estimates that, in the past few years, team members have met with assessors and municipal administrators at more than 60 workshops or regional meetings across the province. The assessment community is now familiar with the data-loading operation, and the ASSET system was used in the annual audit process in 2004 and 2005. However, the team's workshop days aren't over. As time goes on, assessors and administrators are focusing on another theme. They are asking, "What else can this system do for me?"

Scott says workshop participants are increasingly interested in using the ASSET system to search and locate information that can help them do their job. For example, assessors may be looking for selling prices, assessment values or other data on specific property types in other municipalities that can help them in putting values on similar properties within their municipalities. Municipal administrators may be interested in other types of information, such as the summaries available on the annual changes in each municipality's total assessment or equalized assessment. Scott says people are now letting him know of the types of information that

they would like to get from ASSET, or new features they would like to see on the system. The ASSET team welcomes suggestions, he adds. "We are continuing to add new features into the system," he says. "I think it's safe to say the system will never be static. It will continue to evolve to meet the needs of stakeholders, changes in assessment practices, and changes in legislation." In the coming months, developmental work is expected to be completed on a new ASSET feature that matches provincial data on recent land title transfers with municipal data on recent property sales. An assessor could use this tool to help ensure that no property sales were overlooked in the assessment process.


Technical committee looks to the future

Now that the ASSET system is in operation, members of the Equalized Assessment Panel (EAP) Technical Committee have been discussing the committee's future role. "The technical committee sees its role as an evolving one," says Steve White, committee chairperson and executive director of the Assessment Services Branch. "Even though ASSET has been implemented, we believe that there will continue to be a need for a representative group of municipal and assessment stakeholders who can bring issues forward and discuss the options," he says. "We will also be looking for the committee's advice on future advances or changes in the system, and on technical or policy matters related to the assessment audit and equalized assessment process."

The committee includes members from the Alberta Association of Municipal Districts and Counties, the Alberta Urban Municipalities Association, the Alberta Assessors' Association, the Cities of Calgary and Edmonton, and Municipal Affairs.

A double check of taxable assessments

As part of its review of the annual ASSET submissions, the Assessment Services Branch has been comparing the municipal assessment totals in the ASSET system with the taxable assessment figures in municipal tax rate bylaws or other sources. "If we see a significant discrepancy, we are calling the municipality to try to resolve any problems with the data," says Dave Sargent, an education tax advisor with the branch.

"One of the most enjoyable parts of my job is to speak personally or on the phone with municipal administrators in all parts of Alberta," says Sargent. "We are able to work together to help make sure their annual assessment submission is complete and accurate — and this means that later on, their municipality won't be overpaying or underpaying on the education property tax." The branch uses the assessment amounts from each municipality to determine its equalized assessment and share of the education property tax. 

If you have suggestions for ASSET workshop topics, or would like Municipal Affairs to hold an ASSET workshop in your area, please contact John Scott at John.Scott@gov.ab.ca or (780) 422-8415 (dial 310-0000 to call toll free).

Historical milestones

Alberta became a province on September 1, 1905 with a rapidly increasing population. Requests for the creation of school districts and emerging discontent with existing legislation led to the enactment of new legislation. A new Department of Education was created in 1905, and the Department of Municipal Affairs was created in 1912. Since then, the education tax system in Alberta has undergone many changes. Listed are some of the milestones in the education tax process since the 1880s.

1884

FIRST SCHOOL ORDINANCE ENACTED

The Northwest Territorial Government enacted Alberta's first school ordinance, authorizing property taxation for schools. Under the ordinance, government grants and real property taxes were used to finance public and separate schools. Most school districts levied and collected their own taxes and provided for all school operations. However, the territorial government was often called upon to collect outstanding taxes.

1901

SEPARATE SCHOOL DISTRICTS FORMED

In 1901, the territorial government provided for the establishment of separate, Protestant and Catholic school districts. Ratepayers began declaring their support for either the public or the separate school board based on their faith.

1905

TWO METHODS OF RAISING FUNDS

At Confederation, the separate school rights granted by the territorial government became entrenched in section 17(1) of the *Alberta Act*. During this period, some school districts directly taxed their supporters while others received funding from municipal and local improvement districts.



ASSESSMENT EQUALIZATION BOARD – MUNICIPAL AFFAIRS, MAY 29, 1966

J.B. Laidlaw, chairman; R.L. Cross, secretary; D.A. Bancroft, member

The role of the Assessment Equalization Board was expanded in 1922 and again in 1929. The board's responsibilities included the hearing of appeals from municipal level Courts of Revision as well as making equalized assessments and giving general advice to the Minister. In 1935, the power to hear and determine appeals was taken from the board and given to the Director of Assessments.

1919

FIRST OFFICIAL EQUALIZED ASSESSMENT

In 1918, the province passed the *Supplementary Revenue Act*, which provided for an additional tax on every dollar of assessed valuation by the province to fund school construction and a board to equalize assessments.

1926

PROVINCE PROVIDES EQUALIZATION GRANT

In response to the insufficiency of funds in the assessment-poor districts, the province established an equalization grant so that all schools could operate for 160 days per year.

1931

MUNICIPALITIES COLLECT SCHOOL TAXES

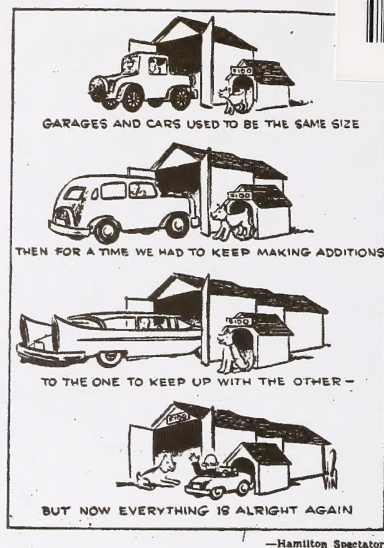
During the Great Depression, some school jurisdictions had increasing difficulty levying and collecting their taxes. The *Tax Rates Collection Act* transferred full responsibility for collecting school taxes from school boards to local municipalities.

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1960

FUNDING FOR ASSESSMENT-POOR DISTRICTS

Under the School Foundation Program Fund, the province provided funding to assessment-poor districts to ensure a minimum standard of education. However, there was disparity in the levels of property tax revenue available to local authorities. This created inequities in the ability of municipalities to generate the tax revenue they required to supplement provincial grant funding. Again, assessment-poor school districts had to either increase the local tax rates or provide a minimal standard of education.



"ASSESSOR HAS PROBLEMS"

This cartoon appeared in the *Hamilton Spectator* in 1960.

1974

PROPERTY TAX REBATE

Through the enactment of the *Property Tax Reduction Act* in 1974, the province began to rebate a portion of the school tax to residential and farm land property owners, thereby increasing the education tax rate

on non-residential properties. The result was a shift in some of the education property tax burden to commercial operations, away from residential and farm land properties. This practice continued until 1994.

1994

A NEW METHOD OF COLLECTING SCHOOL PROPERTY TAXES

In 1994, the provincial government took over responsibility for collecting all education property taxes and distributing the revenues to school boards. The costs of education had been increasing dramatically, and municipalities were receiving requests from school boards to collect increasing levels of property tax funding. The per-student expenditure by school districts differed by as much as \$19,000 per year, reflecting the relative well being of each jurisdiction's assessment base.

The move addressed inequities among school jurisdictions in both the amount of property taxes paid by local taxpayers, and the revenues available to support education. Today, education property tax revenues are collected through the application of a uniform tax rate, applied to municipal assessments, and distributed to school boards to meet the local education funding requirements. **A**

Advisory Aspects is published three times a year by the Assessment Services Branch of Alberta Municipal Affairs. It includes information of interest to municipal administrators and property assessors in Alberta.

We welcome your comments and suggestions for articles. Please write to us at:

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